

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

MUR: 5264
DATE COMPLAINT FILED: May 1, 2002
DATE OF NOTIFICATION: May 8, 2002
ACTIVATION DATE: July 3, 2002

EXPIRATION OF STATUTE OF LIMITATIONS: October 2, 2006

COMPLAINANT: Eugene F. Douglas
RESPONDENTS: The Honorable Charles F. Bass, Bass Victory Committee and Alexander Bass, as treasurer
RELEVANT STATUTES AND REGULATIONS: 2 U.S.C. § 431(2)
2 U.S.C. § 432(e)(1)
11 C.F.R. § 101.1(a)
INTERNAL REPORTS CHECKED: Disclosure Reports
FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

On May 1, 2002, Mr. Eugene F. Douglas ("Complainant") filed a complaint with the Federal Election Commission ("Commission") that alleged the Honorable Charles F. Bass ("Congressman Bass"), the Bass Victory Committee and Mr. Alexander Bass, as treasurer ("the Bass Committee") violated 2 U.S.C. § 432(e)(1). Specifically, the Complainant alleged Congressman Bass and the Bass Committee (collectively "Respondents") violated the Federal Election Campaign Act of 1971, as amended ("the Act"), by their failure to file a statement of

1 candidacy and designate the Bass Committee as Congressman Bass' principal campaign committee
2 for the 2002 election in New Hampshire's 2nd Congressional district.

3 **II. FACTUAL AND LEGAL ANALYSIS**

4 **A. Law**

5 The Act requires a Federal candidate to designate a principal campaign committee "no later
6 than 15 days after becoming a candidate," by filing a statement of candidacy with the Commission.
7 2 U.S.C. § 432(e)(1); *and see* 11 C.F.R. § 101.1(a). A person seeking nomination for Federal
8 office becomes a candidate as defined by the Act when he or she gives consent for a committee to
9 receive contributions or make expenditures of \$5,000 or more. 2 U.S.C. § 431(2)(A) and (B).
10 Contributions include "any gift, subscription, loan, advance, or deposit of money or anything of
11 value made by any person for the purpose of influencing any election for Federal office." 2 U.S.C.
12 § 431(8)(A)(i). The Act defines expenditures as "any purchase, payment distribution, loan,
13 advance, deposit, or gift of money or anything of value made by any person for the purpose of
14 influencing any election for Federal office." 2 U.S.C. § 431(9)(A)(i).

15 **B. Complaint**

16 The Complainant alleged that Respondents failed to file the required statement of
17 candidacy after the Bass Committee received contributions and made expenditures for more than
18 \$5,000 in connection with Congressman Bass' 2002 reelection. On October 2, 2001, the
19 commission's Reports Analysis Division ("RAD") sent a letter to Congressman Bass, which stated
20 that he must redesignate his principal campaign committee or disavow his 2002 candidacy for
21 Federal office. The RAD letter stated that it sent the notice to Congressman Bass' Washington

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1 D.C. office after staff noted that his 2000 principal campaign committee, the Bass Victory 2000
2 Committee, had accepted contributions and made expenditures of more than \$5,000 in support of
3 his 2002 candidacy.

4 **C. Analysis**

5 The response acknowledges that Congressman Bass failed to file a statement of candidacy
6 and designate the Bass Committee as his principal campaign committee for his 2002 Federal
7 candidacy in New Hampshire's 2nd Congressional District. The Bass Committee's 2001 mid-year
8 report filed on July 15, 2001 confirms that it had accepted more than \$5,000 in contributions for
9 the 2002 primary election as of March 16, 2001. Thus, Congressman Bass qualified as a Federal
10 candidate pursuant to Section 431(2)(B) of the Act on that date. Therefore, the Act required
11 Congressman Bass to file a statement of candidacy by March 31, 2001, and designate the Bass
12 Committee as his principal campaign committee for the 2002 Federal election. *See* 2 U.S.C. §
13 432(e)(1).

14 Although Respondents admitted to violation of the Act, they provided two mitigating
15 explanations. First, as noted above, Respondents explained that they would have responded to
16 RAD's October 2, 2001 notice, but had failed to receive the letter due to mail quarantines for
17 security-related concerns. Second, the Bass Committee overlooked the statement of candidacy
18 when it made the switch to electronic filing after Congressman Bass' 2000 election. Congressman
19 Bass filed the delinquent statement of candidacy immediately after receiving the complaint in this
20 matter.

21 Given these unusual circumstances, and the fact that the Bass Committee reported its
22 receipts and disbursements for the 2002 election cycle, this Office recommends the Commission

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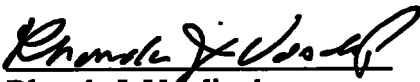
1 find reason to believe that the Honorable Charles F. Bass, Bass Victory Committee and Alexander
2 Bass, as treasurer violated 2 U.S.C. § 432(e)(1) when Congressman Bass failed to file his statement
3 of candidacy by March 31, 2001. send letters of admonishment, but take no further action and
4 close the file as it pertains to these Respondents.

5 **III. RECOMMENDATIONS**

- 6 1. Find reason to believe that the Honorable Charles F. Bass, Bass Victory Committee
7 and Alexander Bass, as treasurer violated 2 U.S.C. § 432(e)(1), send letters of
8 admonishment, and take no further action against these Respondents.
9
10 2. Approve the appropriate letters.
11
12 3. Close the file.
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Lawrence H. Norton
General Counsel

BY:


Rhonda J. Vosdinger
Associate General Counsel
for Enforcement

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19 10/29/02
20 Date


Mark Shonkwiler
Assistant General Counsel

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31 Staff Previously Assigned: Rachelle L. Wills